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Industrial Horizons



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News Publication — Montana State Planning Board

in the news . . .

"The \$2.5 million Van-Evan plywood manufacturing plant being built in Missoula may be the stepping stone toward a series of Van-Evan operations in the Treasure State," Edward S. Evans, Jr., says. Evans is president of Evans Products Co. of Plymouth, Mich., which, with Vancouver Plywood Co. of Vancouver, Wash., owns the Van-Evan Co. Evans said his firm likes having plants in relatively small communities. The Missoula plywood plant will be fourth or fifth largest in the western part of the country, with 157,000 square feet of floor space.

X X X

Production at the Columbia Falls aluminum plant is expected to increase to 100 per cent of capacity this summer, up from the 87½ per cent of capacity at which the plant operated previously, the executive vice president of Anaconda Aluminum Co. said recently. This was reported in the April, 1960 issue of "Western Industry."

X X X

The Associated Press reports that business in Montana has been good this year, says that the outlook for the remainder of the year is "steady and good—at least on a par with 1959." Chadwick H. Smith, chairman of the Unemployment Compensation Commission, told the AP that unemployment, an indicator of statewide business conditions, has taken a sharp decline since March. "The outlook is for a shortage of workers during the next six months," he said.

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The Missoula City Council cleared the way for construction of a proposed \$2.5 million lumber company when it agreed to lease 10.7 acres of city-owned land to Muslin Brothers of Oregon City, Ore., for 25 years. The mill, which will make 2x4 lumber, will employ about 50 men.

X X X

The Montana Crop and Livestock Reporting Service said Montana crop prospects on June 1 "were much better than a year ago and above the previous 10-year average." The service earlier reported that the wheat crop would be 21 per cent higher than last year and 9 per cent above the previous 10-year average. Rye will be 12 per cent above the 10-year average and hay 3 points above.

In Federal Employees . . .

Montana Tops Its Neighbors

There are more federal employees working in Montana than in our neighboring states of North Dakota, South Dakota, Wyoming and Idaho, according to a recent report from the office of Senator Mike Mansfield.

Said Ray Dockstader, who issued the report, "These employees make a major contribution to the local economic situation. Their absence would be sorely missed at the local grocery, appliance, auto or service enterprise. In addition these people pay taxes like any other resident."

Cascade County had the largest number of federal employees—951—with Lewis and Clark and Yellowstone Counties close behind.

Montana's yearly income from this important basic industry is approximately the same as the yearly income from our tourist industry.

The following is a tabulation of federal employees in Montana and neighboring states, based on census estimates received from the Civil Service Commission and the Department of Defense.

	Civilian	Military*	Total
Montana	8,019	6,625	14,644
North Dakota	6,039	4,862	10,901
South Dakota	8,622	5,404	14,026
Wyoming	4,801	2,526	7,327
Idaho	6,097	4,882	10,979

*Military includes active duty personnel with the Army, Navy, Air Force and the Marines.

Why We Need Basic Industry

Montana will benefit from more basic industry, E. O. Sowerwine, Jr., State Planning Board Director, told the Montana Municipal League members at their 29th annual convention in Helena.

He explained that Montana's economy is such that we manufacture very little of what we utilize, and as a result, have to have dollars to buy out of state goods.

"Basic industry is any industry which will supply those dollars," Sowerwine said. "That means we must produce goods to sell out of Montana, or bring tourists in to spend money."

He added that the same effect can be obtained by supporting Montana industries which compete directly with out-of-state industries.

One Makes Three

"One job is as good as another since it employs and pays a person, but a job that produces goods for sale out of state brings in dollars we need to buy goods from out of state," Sowerwine told the municipal leaders. "Every job in a basic industry is worth at least three of the other jobs. Once we get the money from a job in a basic industry, we can spend it in our service industries."

As an example, Sowerwine said that \$100 earned in basic industry probably

will be spent two to three times before it leaves the state.

"The more times it is spent in Montana the more valuable it is for Montana's economy," he added.

Reports On Trip East

Sowerwine told the Municipal League members he had just returned from a two-week trip East to visit business and industrial leaders.

"We are trying to get 'clean' industries, and pushing for those which will tie in with our tourist and recreational industry," Sowerwine said. He contacted manufacturers of fishing tackle in the East, and reported that one company had expressed interest in Montana as a possible location for expansion.

inside →

you will find stories about:

expansion in Polson at Cascades Plywood Corporation . . . and three new companies in Butte—Butte Brass & Controls, Rocky Mountain Phosphates, Sigman Meat Packing—with the reasons why the men behind them believe in the future of the Butte area.

*This is the story of three companies
They require different raw
materials, turn out different products,
serve different markets. But
all have this in common—within
the past year their directors have chosen
Butte, Montana, as the city in which
to locate. Here is the story of these
three companies and why the men behind
them believe in the future
of the Butte Area . . .*

new names in butte:

**butte brass & controls
rocky mountain phosphates
sigman meat packing**

butte brass & controls:

The time: 9 a. m., Dec. 28, 1959. The sale of 400,000 shares of stock in Butte Brass & Controls Company begins.

The time: 11:50 a. m., March 11, 1960. The sale is complete.

Averaging \$6,611.57 each working day, Butte Brass & Controls Company realized its offer of 400,000 shares, at \$1 a share, in record time. And when all stock had been sold, company officials found they still had \$30,000 worth of unfilled orders.

Three months later, requests continued to come in for Butte Brass stock—stock which an estimated 1,000 residents in 50 of Montana's 56 counties now own. Doctors, lawyers, union leaders, bankers, housewives who paid for shares with rolls of dimes—all wanted stock in Butte Brass. Many were investing for the first time.

Why this enthusiasm? Mrs. Julia O'Neill, treasurer of the company, calls the sales record a "remarkable testimonial" to Tim Sullivan, the president and man behind Butte Brass & Controls Co.

Sullivan came to Butte in 1898 where he completed the fifth grade at St. Patrick's school. When he was 15 years old Sullivan went to work in the mines. In

1921, he incorporated Sullivan Valve, since has become one of Butte's—and Montana's—outstanding and most successful businessmen.

His latest project, Butte Brass & Controls Company, was incorporated for \$1,000,000 on Nov. 13, 1959. Sullivan says the company will make brass water control valves, gas control and safety valves, pressure regulators for commercial and industrial use, and plumbing and drainage fittings.

The new corporation has taken over the valve and controls division of the Sullivan Valve & Engineering Company, also has purchased the brass foundry and fabricating plant of the Boston Brass Company in Waltham, Mass. The building which Sullivan Valve used will house Butte Brass; in addition, an adjacent former National Guard garage will serve the company as a foundry.

Some 58,000 pounds of equipment have already been moved from Boston, and there are approximately 25 men now at work at Butte Brass. Sullivan expects that there is another 100,000 pounds of equipment to be moved; when this arrives, probably within the next 45 days, employment will be increased to 100.



*Tim J. Sullivan, president of
Butte Brass & Controls Co.,
sees new enthusiasm in Butte about
the city's future*

Sullivan does not believe this is the maximum that can be achieved by Butte Brass, however. "Within the next few years, copper will be used almost exclusively in plumbing shops," he explained. Sullivan intends to capitalize on this, hopes to branch out eventually into related areas such as ornamental copper. Plans also are being made to add a small custom smelter to the plant to furnish a market for scrap metals.

"This can be built into a big plant," Sullivan continued. "It is the only one of its kind in the Northwest, but no doubt there will be several more like it soon."

Quick Delivery

Part of the appeal of Butte Brass is its quick delivery—the promise of overnight service to shops and contractors within a 350 mile radius. But sales are not limited to the Northwest area. The Sullivan Valve marketing area—stretching from the New England states to Cali-

fornia, Texas to Washington—will be covered by Butte Brass. And inquiries about Sullivan's products have been received from Argentina, Great Britain, Italy, Japan, France.

Advantages of Butte

Sullivan believes there are several advantages to being located in Butte. He told the Planning Board that labor was especially important.

"Butte is an industrial community; all our labor here has been mechanical and they understand this business," he explained. "Nor are labor costs out of line. The union gave us a very good deal."

Sullivan also ranked transportation facilities high on his list of advantages. "Butte is a highway crossroads," he explained, "and has the service of four railroads." A study of freight rates by Sullivan showed him that generally it was cheaper to ship out of Butte than areas

of California he considered competitive for a similar operation.

"If we had kept the company in Boston we would be paying four times as much for power and gas," he continued.

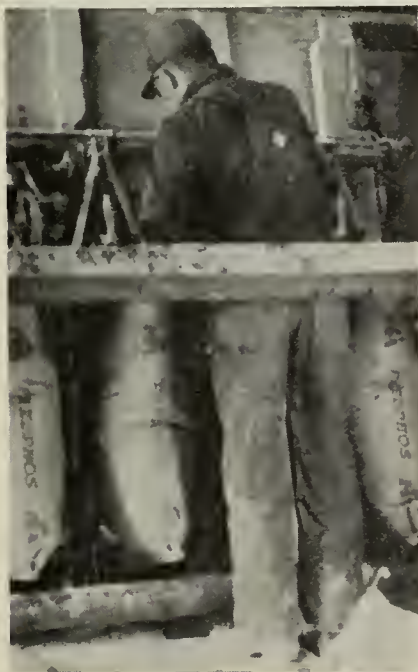
"Got to Get Busy"

Sullivan sees new enthusiasm in Butte about the city's future. "Never in my long residence in Butte have I seen the willingness by business and labor that I see today to work together to bring in new industry. This same willingness will work for the whole state," he added.

Sullivan believes there are industrial opportunities in Butte for an electroplating plant, for the manufacture of water heaters, boats, and trailers. For the state as a whole he would like to see flour and cereal mills.

"We just can't expect other people to bring industry in here," he continued. "We've got to get busy ourselves."

Here are some other people who are "getting busy":



*Feedphos is being loaded for shipment
to Pleasant Grove, Utah*

rocky mountain phosphates:

Bryce Rhodes is an energetic young man who received his bachelor's degree in chemical engineering from the University of Minnesota, his master's degree in the same field from Cornell University, and went on to become manager of the phosphate chemicals division of International Minerals and Chemical Corporation in Skokie, Ill.

Rhodes grew up in Havre, however, and had attended school at Northern Montana College. As he explains it, "my wife and I felt that the West was a good place to raise children."

And so, when Rhodes decided he wanted his own plant to manufacture a de-

fluorinated phosphate for animal feeds, he began to investigate the West.

Several Possible Sites

"We had to locate our plant close to raw materials and markets," he said, "and there were several choices—Pocatello, Butte, Salt Lake City. Because of markets there was a definite magnetic pull south from Butte, but then we found an almost ideal setup for a plant here."

This was the plant owned by Domestic Manganese and Development Company, started in Butte in 1927 but recently idle because of government surpluses (some 375,000 tons of manganese are stockpiled at the plant, a stockpile valued at



Present when first shipment of Feedphos was loaded were (from left to right) Bryce Rhodes, president of Rocky Mountain Phosphates; Harry Walker, of Walker Truck Lines; Cole Sullivan, vice president of Domestic Manganese; E. P. Frizelle, president of the Metals Bank; Dan Mooney, president of Cahill-Mooney; John Cole, president of Domestic Manganese; William Flugel, field sales representative of Montana Flour Mills Company.

\$18 million by Domestic Manganese President, John H. Cole). Much of the equipment in the plant could be adapted to the type of production Rhodes wanted to do.

A lease arrangement was worked out with Cole, what Rhodes calls "invaluable cooperation" was received from the Anaconda Company (which owns part of the ground and was able to assist with additional machinery, raw materials and technical knowledge), and Rocky Mountain Phosphates, Inc., was born.

One of Four

Rocky Mountain Phosphates is one of four similar plants in the country and the only one (except for a plant in Houston, Texas) west of the Mississippi.

It is a plant which makes a feed sup-

plement for animals, as Rhodes explained, by reacting phosphoric acid with phosphate rock to build up the phosphorus level and to take out the fluorine. (This fluorine is removed from waste gases by combining it with finely ground lime in a special dust chamber before the flue gases are released to the atmosphere.)

100,000 Ton Market

Rhodes believes there is a market in the West for 80-100,000 tons a year of this type of supplemental feed phosphate, thinks that a small company such as his is the ideal one to supply it.

There are 16 men on the payroll of Rocky Mountain Phosphates at the present time; the first shipment of "Feedphos," the tradename for the feed supple-

ment, was made on April 6 to Montana Flour Mills Company in Bozeman.

Capacity in Two Years

Rhodes expects the number of employees to increase to 30 by the end of the second year of operation. He said there is a capacity of 3-4,000 tons a month in the plant; he hopes to reach a production of 1,000 tons a month after the first year and capacity by the end of the second year.

"We hope Montanans will take advantage of our product to do more feeding and fattening of cattle here," Rhodes told the Planning Board.

Fattening Cattle

The idea of fattening cattle closer to home is one shared by the third company in our story.

*All meat at Sigman's is
federally inspected*

sigman meat packing:

Hansen Packing Company is having its face lifted. Butte residents driving past the plant have seen the name on the building changed, the sign in front painted out to be replaced by "Sigman Meat Company of Montana."

After two years of idleness, last September Hansen was sold to the Sigman Meat Company of Denver. And in January of this year the plant began operating again on a limited basis.

Sigman's Butte manager, Ernest Olson, said approximately 150 head of cattle are now being handled during a five-day work week. Plans for future expansion still are tentative, but Olson said he hopes to be handling 100 head a day and "in the future, a lot more than that."

Federal Inspection

Increased production would up the number of employees from the present 15-20 to an estimated 30-40.

Under federal inspection, cattle are slaughtered at the plant, skinned and

dressed. There is also a deboning operation. Most are sold in carcass form, shipped to Denver and Seattle. The Butte plant also will serve as a distribution center for Sigman meat products.

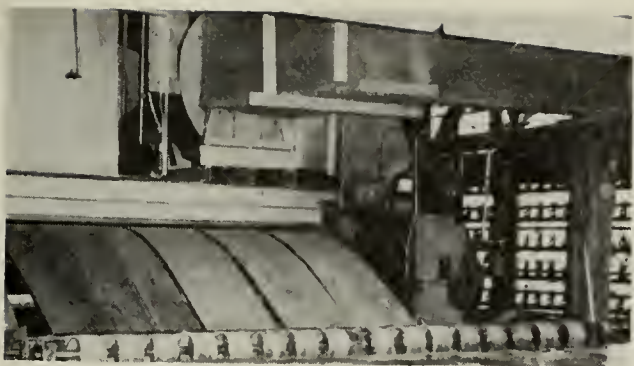
Olson, formerly sales manager for Hawaii Meat Company in Honolulu and before that with Swift on the West Coast, and Clarence Forbes, who will be handling sales and distribution for Sigman after a background in the industry that included positions with Cudahy and John Morrell and Company, are pleased with the prospects of the meat packing industry in Butte.

Fine Beef

Said Forbes: "This is some of the finest beef I have ever seen."

And said Arthur L. Sigman of the Denver company, when the sale was announced, "Montana is a place of raw materials for the industry and it is only natural to have a plant in an area where the raw materials are available."





Under expansion program, new steam drier will be added to supplement work done by oil-fired drier at left

Plywood: Expanding a Plant in Polson

Things have been moving in Polson since the September announcement that Cascades Plywood Corporation of Portland had purchased the Polson Plywood Company.

The sale of Montana's first plywood mill to the company which originally operated the world's largest integrated plywood plant will bring an expected 35 new jobs to Montana.

The planned \$750,000 expansion program, which is approximately 75 per cent completed, will increase the company's present production from 2 million board feet of $\frac{3}{8}$ inch plywood a month to $4\frac{1}{2}$ million board feet a month. The expansion, expected to be completed by early August, will increase the present 85 employees to 120.

New Steam Drier

Largest piece of equipment being added under the expansion program is a new steam drier, though Cascades will continue using the oil-fired drier now handling this important step in plywood manu-

facture. A new steam boiler plant will be built to operate the steam drier.

Will Tiddy, who stayed on as plant manager after Cascades purchased Polson Plywood, said other new equipment will include an automatic saw installation for cutting panels to size and a new addition to the gluing operation. A new warehouse also is being erected.

Logging by Claridge

Cascades continues purchasing its lumber from Northern Pacific, the Indian service, and state and federal governments on a contract basis. A logging contractor, the Claridge Logging Co., cuts the timber, and under a working agreement with nearby sawmills, Cascades keeps the peelable logs and the sawmills utilize the saw logs.

Claridge presently employs 40 men, adding \$180,000 a year through its payroll to Polson's economy. Logging is done in two main areas, the Swan River drainage and the Thompson River area. Claridge also is building a road into Lost

Creek, a new timber area in the Swan Lake vicinity.

Fifteen logging trucks now operate, but an additional six contract haulers may be added in the near future.

Quality Control

Cascades, which makes only interior plywood, uses larch, fir, spruce and pine—but predominantly larch. Tiddy said larch is now considered of equal quality with coast Douglas fir for plywood.

A member of the Douglas Fir Plywood Association, Cascades handles its sales through the U. S. Plywood Corporation. Its product is checked approximately twice a week for quality control and then stamped for approval.

This continues a policy that "The Timberman," journal of the timber industry, called most important in explaining the success, back in 1956, of the original Polson company. This policy, "The Timberman" said, "is giving the customers a quality product and continually striving to improve on that project."

Large log, more than 2 feet in diameter, is ready to be "peeled" into the long strips used for plywood. Log at right is almost completely peeled



HHFA Representative to Discuss Urban Renewal In Montana

Ken James, field representative for the Housing and Home Finance Agency office in Seattle, plans to be in Montana the week of July 11th.

James will discuss the urban renewal program with interested communities.

This program is set up to help clear slums and blighted areas. President Eisenhower, in his recommendations to Congress for the Housing Act of 1954, outlined the purposes of urban renewal in this way:

"First. Prevention of the spread of blight into good areas of the community through strict enforcement of housing and neighborhood standards and strict occupancy controls.

"Second. Rehabilitation of salvable areas, turning them into sound, healthy neighborhoods by replanning, removing congestion, providing parks and playgrounds, reorganizing streets and traffic, and by facilitating physical rehabilitation of deteriorated structures.

"Third. Clearance and redevelopment of nonsalvable slums."

Under the Housing Act of 1954, the HHFA Administrator must determine that the community has a Workable Program for urban renewal to obtain certain forms of Federal assistance. Says the government:

"In order to fulfill the requirements for approval of the Workable Program, the locality must commit itself in its Workable Program to the attainment of essential objectives with respect to the following:

"1, Codes and ordinances. 2, A comprehensive community plan. 3, Neighborhood analyses. 4, Administrative organization. 5, Financing. 6, Housing for displaced families. 7, Citizen participation."

26 Falls Firms Buy EDC Shares

Twenty-six Great Falls firms have purchased \$500 membership shares to become the incorporating directors of the Economic Development Corporation of Great Falls (see May 1960 "Industrial Horizons").

Harold K. Dickinson, chamber president, congratulated Kenneth K. Knight, who headed the subcommittee which worked for months planning the corporation, and members of Knight's subcommittee.

The organization will buy and hold land for future industrial sites, but Dickinson said objectives also will include support of existing industries. The corporation will be formed with authorized capitalization of \$500,000. A goal of \$100,000 has been set for the initial subscription.

"Our committee received enthusiastic support from the firms we asked to help start the corporation by purchasing the \$500 director memberships," Knight said in a recent article in the Great Falls Tribune. "If we can get similar support from other firms and from the community at large, we will not have any trouble making the program a success."

Knight said shares of \$50 value will be offered to the community after an organization meeting.

✓ checklist

(News of recent books, magazine articles and movies which will be of help or interest to your development program.)

"Data Sources for Plant Location Analysis," published by the Office of Area Development, is a listing of source materials helpful for manufacturers beginning to study prospective plant locations. But many of the sources also are of help for community development groups preparing economic and industrial surveys of their areas.

Included in the pamphlet are chapters on general source materials, fuels and electricity, labor, markets, resources, taxes and governmental finances, transportation, water, and weather and climate information.

A general section also includes sources for information about education, financing, health and housing.

This pamphlet is for sale by the Superintendent of Documents, Washington 25, D. C. The price is 20c.

x x x

Also published by the Office of Area Development and of interest—"Planned Industrial Parks." This publication explains the industrial park and its advantages to the manufacturer and the community.

x x x

"Forest Industry Opportunities in Rural Development," released by the Department of Agriculture Forest Service, was prepared for the Rural Development Committee.

However, Roger A. Prior, Chief of the Resources Analysis Division, says that the book has a "wider use for State development agencies because it gives a fairly comprehensive picture of industrial uses of forest products. The booklet merits study by all those concerned with utilizing natural resources in forest areas."

Much of the country's timber is found on private farms in rather small forest tracts, Prior says. "The Rural Development Program, now over two years old, has found that these tracts constitute one of the best potential sources of added income for low income farm areas," he continues.

This booklet was prepared for use in rural development pilot counties.

this month at the Mitchell Building . . .

. . . State Engineer Fred Buck, a member of the State Planning Board, was praised recently by William E. Welsh, secretary-manager of the National Reclamation Association. Welsh called Buck the dean of state engineers in the West, said that under his leadership Montana has made greater progress than any other state in the West in the promotion and development of small reclamation projects.

. . . E. O. Sowerwine, Jr., State Planning Board Director, discussed "A Regional Approach to Planning" as a panel member during the summer meeting of the Pacific Northwest Chapter of the American Institute of Planners. Everett V. Darlington, industrial engineer for the Board, also attended the three-day meeting in Spokane, June 9-11. Darlington was in charge of Montana's planning display.

MONTANA STATE PLANNING BOARD

Sam Mitchell Building

Helena, Montana

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